

The future of the Dairy World is digital

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The 19th IFCN Supporter Conference proves that 'dairy is ready' for digital transformation.

The two-day event was a great success and brought together more than 700 dairy experts from 72 countries and 207 companies and institutions. While there are still obstacles to overcome on the path to transforming the dairy sector into its digital future, participants and panellists agree that the benefits clearly prevail.

The dairy sector is faced with a number of challenges, such as low profit margins for farmers and processors, an eroding image of dairy and a lack of trust in society, while the value chain overall is very complex. What it takes to develop the industry further became clear during the conference: Better connectivity and digitalization. Only when individual companies create synergies and focus on interaction throughout the milk supply chain can the growing population's demand for dairy products be met - and compliance with guidelines on the environment, animal welfare, and traceability can be guaranteed more easily.

To get the industry fit for decades to come the key lies in a joint approach of horizontal and vertical integration. Away from the *"Silo approach"*, as panelist Yoav Levsky from VYLA calls it, and towards shared data, transparency and IT solutions to create meaningful insights for the whole industry. Tackling the issue of profitability, SriRaj Kantamneni from Cargill mentions *"A dairy digital ecosystem unlocks profitability for the industry. I think ultimately, a profitable industry spreads innovations, and so I think we need to think about this from a producer's point, make them successful and profitable and all will be very successful."*

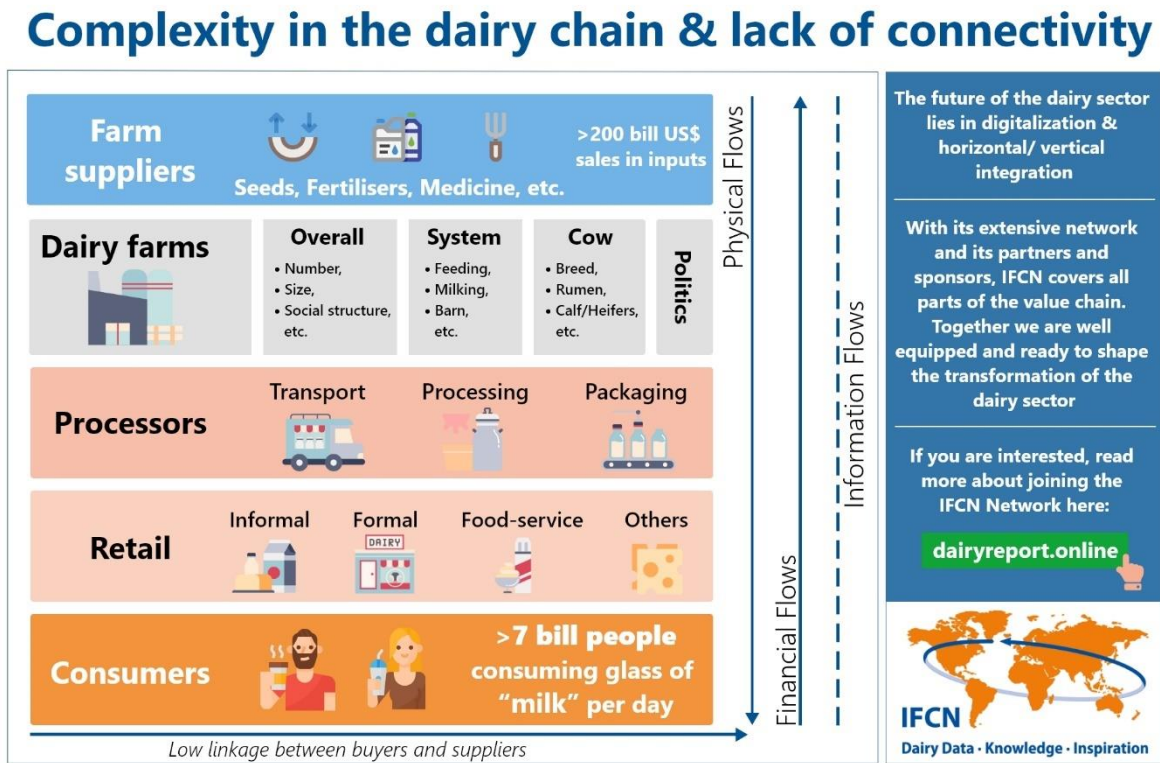
As with any major transformation, there remain uncertainties and hurdles, in this case trust and understanding of how this will affect all stakeholders. So we not only have to shed light on the distrust of consumers towards the industry, but also improve trust among the stakeholders in the industry. As Tim Taylor from VYLA put it: We therefore need not only *"a technological, but also a cultural transformation"* to have a new approach to data security and information exchange.

Fortunately, a stunning 93% of participants support the ideas and state that they want to be better connected within the dairy chain and they are convinced that their organisation will benefit from a collaborative approach (87%). The mandate for the future is clear and with the help of this common understanding, the dairy industry will be led into an efficient and digital future, or as Desley Haas from Contec Group says: *"The dairy industry will deliver"*.

The future will require more integration and that needs coordination. The industry is ready - *"We have the knowledge and the capability to be in the driver seat in the dairy industry"*, as Rodrigo Arajuo de Souza from Phibro points out. IFCN will be happy to take on the challenge of continuing to work with the dairy community to connect people, reduce complexity and plan the next steps for the dairy sector to develop.

IFCN would like to thank all panellists, sponsors, partners, researchers, and guests for their valuable contributions.

Picture 1: Complexity in the dairy chain & lack of connectivity

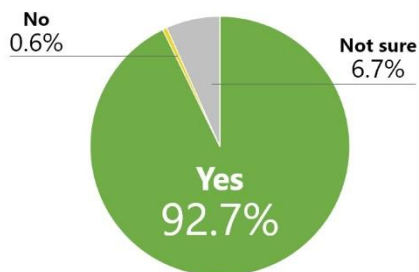


Picture 2: Poll results from participants on the topic: Connectivity in dairy

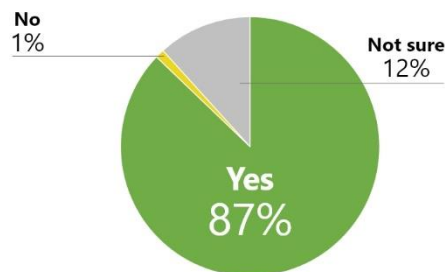


Poll results from participants on the topic: Connectivity in Dairy

1. Is your organisation interested to be **better connected** within the dairy chain?



2. Do you think your organisation will **benefit** if you **share more data with other stakeholders** in the dairy chain?



About IFCN: IFCN is a global research and consultancy network for the dairy industry based in Kiel, Germany. Founded in 2000, IFCN now brings together more than 100 researchers and makes its unique knowledge available through data services to more than 140 companies in the global dairy supply chain. Customers use IFCN analyzes to adapt to the rapidly changing industrial landscape and new requirements, as well as to connect with industry colleagues.

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